BUDGET 2006

Ministry of
Finance and
Associated Entities

2006/07 – 2008/09
SERVICE PLAN

BRITISH
COLUMBIA

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Message from the Minister and Accountability Statement

It is my pleasure to present the 2006/07 - 2008/09 Service Plan for the Ministry of Finance. This plan supports government priorities, including the Five Great Goals for a Golden Decade.

The ministry strives to maintain a sustainable fiscal environment, foster a strong, competitive and vibrant economy, and provide overall financial and management governance, accountability and the performance framework.

Strong fiscal and economic results allow us to deliver excellence in education, promote healthy living, support people at risk, protect our environment and create jobs. Ongoing vigilance to maintain a balanced budget helps ensure the decisions we make today remain affordable and sustainable in the years ahead.

A fair and competitive tax environment and efficient regulations support economic development and employment opportunities. The ministry will further streamline financial and corporate sector regulation and expand electronic service delivery.

Transparency, accountability and public confidence will be further strengthened as the ministry continues to monitor compliance with evolving GAAP standards as affirmed by the Office of the Auditor General, to maintain our lead among Canadian provinces in the timeliness of financial reporting and comprehensiveness of our public disclosure documents. We are committed to release the Public Accounts by June 30 with an unqualified review from the Auditor General's Office.

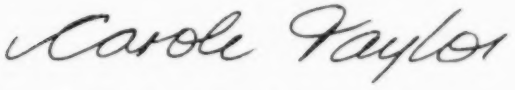
Public sector compensation comprises a significant portion of the provincial budget. The ministry will maintain a fair compensation framework that reflects fiscal, program, employee and labour market considerations. A long-term strategy to manage labour relations that addresses shortages of critical skilled occupations in the public sector is also underway.

The government will also see that British Columbians are informed of the programs and services available in timely, relevant and readily accessible ways. Reaching out to grassroots and ethnic communities and expanding beyond traditional approaches will help make information more accessible and the public better informed.

None of this would be possible without the professionalism, skill and dedication of the ministry staff, whose excellence has earned B.C. a reputation for consistently meeting fiscal plan targets. With their hard work, I am confident the ministry will fulfil its goals and help the government achieve its priorities. I thank them for helping prepare and implement this Service Plan, and I look forward to working with them as we move ahead.

The Ministry of Finance and Associated Entities 2006/07 - 2008/09 Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability*

Act. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of February 6, 2006, have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.



Honourable Carole Taylor
Minister of Finance

February 6, 2006

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Ministry of Finance, contact:

PO BOX 9415
STN PROV GOVT
VICTORIA BC
V8W 9V1

or visit our website at
http://www.gov.bc.ca/fin

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Ministry Overview

Purpose of Ministry

The Ministry of Finance plays a key role in establishing, implementing and reviewing government's economic, fiscal and taxation policies and continues to focus on the priorities that will ensure the province's success in meeting its fiscal objectives and, thereby, supporting the achievement of the Five Great Goals.

Key financial statutes for which the ministry is administratively responsible include the: *Financial Administration Act, Budget Transparency and Accountability Act, Balanced Budget and Ministerial Accountability Act* and *Financial Information Act.* These statutes: establish the framework and limits for accounting and financial activity; ensure the right of the public to open and accountable annual budgets and complete disclosure of all the assumptions upon which fiscal forecasts and provincial budgets are based; require ministries and Crown corporations to annually release three-year service plans, with concrete goals and performance measures, and to publicly report against those plans each year; prohibit annual deficits commencing with the 2004/05 fiscal year; and require certain Crown corporations and other public bodies to annually publish information on employee remuneration and supplier payments.

The ministry provides banking, accounting, financial and economic planning and reporting, risk and debt management, and capital project oversight services, develops policy for regulating the financial and real estate sectors, has developed a framework for government's management of its Crown corporations, sets public sector negotiating framework, is developing a fiscal framework to support the new relationship with First Nations, oversees effective financial and management practices and controls, serves as the registrar of corporate entities, personal property and manufactured homes and provides other related services. Ministry publications include the annual *Budget and Fiscal Plan, Financial and Economic Review, Estimates, Public Accounts* and quarterly reports for the province. These documents are available at http://www.fin.gov.bc.ca/pubs.htm.

Ministry clients include Treasury Board, Cabinet, ministries, agencies, boards, and commissions (see Appendix 2 for a list of agencies, boards, and commissions for which the Minister of Finance is responsible), businesses, investors and financial-sector agencies and public sector employers' associations. Through its support of the government's Strategic Plan, the ministry also broadly serves the people of British Columbia.

Vision, Mission and Values

Vision

To be leaders in sound fiscal and economic management and governance.

Mission

To provide sustainable fiscal policies and regulatory frameworks that support a strong and vibrant provincial economy.

Values

In pursuit of our vision and mission, members of the ministry will act in accordance with the following values:

Accountability	*To enhance efficiency, effectiveness and value in public service.*
Integrity	*To conduct ourselves in an ethical, honest, consistent and professional manner.*
Responsibility	*To deliver affordable client-centred service and stewardship on behalf of citizens.*
Respect	*To treat those we serve, and each other, with courtesy, fairness, dignity and trust.*
Innovation	*To foster creativity and performance in the delivery of quality services.*

Strategic Context

As the Ministry of Finance pursues its mandate over the next three years, the state of the province's economy is a critical factor in the ministry's ability to achieve its goals and objectives.

The B.C. economy grew 3.8 per cent in 2005, stronger than the 3.3 per cent expected at the start of last year, according to B.C.'s independent economic forecast council. The Council now expects the strong economic performance to continue in B.C., with growth of 3.6 per cent expected for 2006. Futher information on the B.C. outlook may be found in the *Budget and Three Year Fiscal Plan* released with the budget.

Within the broader context, the ministry has implemented an Enterprise-wide Risk Management program to identify and manage internal and external risks and to realize new opportunities. Other strategies being undertaken in response to specific risks include:

Cross Government Context

(This table identifies potential cross government risks and ministry mitigation strategies/capacity to address these risks.)

Potential Risk	Mitigation Strategies
Globalization of economic and financial markets will increase competition for investment.	Develop taxation and financial and corporate regulatory policy which reinforces British Columbia's position as an attractive place to invest and create jobs. Maintain competitive tendering of treasury business functions to obtain optimal pricing and certainty of service delivery.
Economic and commodity market fluctuations and unexpected shocks (e.g., terrorism, avian flu, firestorms) could affect revenues, personal and corporation income taxes and other revenues as well as increase government expenditures.	Use prudent assumptions in the preparation of the fiscal plan.
Inflationary demands may cause pressure on capital spending.	Use prudent assumptions in the preparation of the fiscal plan. Use a risk management to plan, develop and implement mitigation strategies.

Ministry Context

(This table identifies challenges which exist within the ministry and strategies/capacity to address these challenges.)

Challenges	Strategies
International demand for financial professionals (e.g., CGA's, CMA's, CA's) means the ministry must be competitive in recruiting and retaining staff.	Develop and implement recruitment and retention plans.
The legislated implementation of Generally Accepted Accounting Principles (GAAP) will ensure that the province's reporting is consistent with the most recent accounting standards. This may result in the need to continue to evaluate business processes within both core government and affected broader public sector organizations.	British Columbia is a leader in timely and transparent financial reporting, becoming the first province in Canada to introduce a balanced budget and fiscal plans prepared in accordance with GAAP, fully consolidating the SUCH sector in its government reporting entity. Furthermore, British Columbia is the only province with legislation that requires the use of GAAP for estimates, budgets, quarterly reports and public accounts. The ministry will continue to work closely with the Auditor General and the Accounting Policy Advisory Committee to ensure British Columbia continues to lead the provinces in the timeliness of its financial reports and in providing the most comprehensive set of public disclosure documents in Canada.

The below table identifies opportunities available to enhance ministry capacity and initiatives to maximize the opportunities.

Opportunity	Initiative
Technological innovations provide opportunities for greater efficiencies and productivity.	Systematic reviews of existing and future information management systems to realize economies of scale, reduced duplication and cost savings.
The Government of British Columbia has adopted Enterprise-wide Risk Management as the framework for strategic and operational decision-making to effectively manage potential opportunities and adverse effects.	Continue to integrate Enterprise-wide Risk Management practices into ministry's operational and decision-making activities including the development of the service plan and internal audit plan.
The ministry's Integrated Planning Framework consolidates and streamlines the various planning activities, enhancing the ministry's resource capacity.	Implement the Integrated Planning Framework into the ministry's planning activities. Continuously seek opportunities to improve efficiencies in planning and reporting activities.
Partnership and recruitment initiatives with education institutions provide opportunities to build capacity in areas where specific skills are needed but not available in the organization.	Forge partnerships with education institutions to recruit graduates that possess relevant skills (such as financial and accounting) to address succession challenges.

Core Business Areas

The ministry has nine core business areas each of which has specific responsibilities for the provision of programs and services to achieve its goals and objectives. The Financial and Corporate Sector Services core business has been divided into two core businesses: 1) Corporate and Personal Property Registries and 2) Strategic and Corporate Policy. The revised structure will provide the ministry with increased capacity to examine several of the key corporate and strategic issues facing the ministry and government including competitiveness, effective regulation and building a new relationship with First Nations.

1. Crown Agencies Secretariat

Develops and implements a framework for government's management of its crown corporations and provides advice, information and services to enhance good governance practices and accountability for results. This area is supported by $1.5 million and 10 FTEs.

2. Treasury Board Staff

Provides fiscal and economic policy analysis and advice that supports the achievement of balanced budgets, an affordable debt strategy that incorporates operating and capital needs to help government achieve the five great goals, a credible and well managed fiscal plan, and sustains cost-effective public services. This area is supported by $5.5 million and 55 FTEs.

3. Financial Governance, Accounting and Reporting

Assures the accuracy and integrity of provincial public sector financial reporting and maintains a framework of best practices, including internal audit, for financial and management practices. This area is led by the Office of the Comptroller General and is supported by $6.8 million and 134 FTEs.

4. Treasury

Provides British Columbians with the benefits of cost-effective cash and debt management and banking services, resulting in lower expenditures and improved online government services through electronic banking support. Recoveries are from ministries, government bodies and other organizations receiving those services. This area is resourced through a fully cost recovered model with the support of 74 FTEs.

5. Corporate and Personal Property Registries

Provides British Columbians with improved online government services through electronic registries services, including the Corporate Registry, OneStop Business Registry, Personal Property Registry, and Manufactured Home Registry. This area also facilitates the creation

and registration of all business entities, non-profit societies and co-operatives that operate in British Columbia. This area is led by Registries and resourced through a fully cost recovered model with the support of 50 FTEs.

6. Strategic and Corporate Policy

Provides effective financial and corporate sector regulation, competitive tax policy, sound and equitable federal-provincial fiscal relations, and contributes to creating a new relationship with First Nations. This includes providing analysis and advice on federal-provincial fiscal relations, developing the fiscal framework for a new relationship with First Nations, developing the legislative and policy framework for regulating financial institutions, improving the fairness and competitiveness of the provincial tax system and coordinating the ministry's non-budget legislative process. This area is led by Strategic and Corporate Policy and Financial Institutions Commission and is supported by $3.5 million and 133 FTEs.

7. Public Sector Employers' Council

Fosters an efficient and effective workforce through the coordination of public sector labour relations policies and practices and establishes an affordable mandate for public sector compensation and ensures compliance with it. This area is led by the Public Sector Employers' Council and affiliated Employers Associations and is supported by $15 million and 13 FTEs.

8. Executive and Support Services

Provides strategic leadership and corporate support services that contribute to the success of all core business areas. This area is supported by $16.6 million and 154 FTEs.

9. Risk Management

Reduces accidental and business losses in the provincial public sector through the development of comprehensive risk management and self-insurance programs. This area is led by Risk Management Branch, which recovers all of its expenses from clients, and is supported by 47 FTEs.

To learn more about the ministry and its services, please visit the Ministry of Finance website at http://www.gov.bc.ca/fin.

Resource Summary

Core Business Areas	2005/06 Restated Estimates[1]	2006/07 Estimates	2007/08 Plan	2008/09 Plan
Operating Expenses ($000)				
Crown Agencies Secretariat	1,497	1,506	1,506	1,506
Treasury Board Staff	4,903	5,534	5,534	5,534
Financial Governance, Accounting and Reporting	6,721	6,756	6,756	6,756
Treasury	1	1	1	1
Corporate and Personal Property Registries	1	1	1	1
Strategic and Corporate Policy	3,486	3,512	3,512	3,512
Public Sector Employers' Council	14,996	14,963	14,963	14,963
Executive and Support Services	16,075	16,615	16,616	16,617
Total	**47,680**	**48,888**	**48,889**	**48,890**
Operating Expense Other Appropriations ($000)				
Risk Management (IRMA)				
Operating	43,501	45,565	45,615	45,616
Recoveries	(43,501)	(45,565)	(45,615)	(45,616)
Total	**0**	**0**	**0**	**0**
Full-time Equivalents (FTEs)				
Crown Agencies Secretariat	10	10	10	10
Treasury Board Staff	52	55	55	55
Financial Governance, Accounting and Reporting	117	134	134	134
Treasury	74	74	74	74
Corporate and Personal Property Registries	45	50	48	46
Strategic and Corporate Policy	116	133	133	133
Public Sector Employers' Council	13	13	13	13
Executive and Support Services	142	154	154	154
Total	**569**	**623**	**621**	**619**

Core Business Areas	2005/06 Restated Estimates[1]	2006/07 Estimates	2007/08 Plan	2008/09 Plan
Full-time Equivalents (FTEs) — Other Appropriations				
Risk Management	46	47	47	47
Total	**46**	**47**	**47**	**47**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Crown Agencies Secretariat	18	9	9	9
Treasury Board Staff	39	18	18	18
Financial Governance, Accounting and Reporting	215	336	336	336
Treasury	1,631	724	724	724
Corporate and Personal Property Registries	1,890	2,110	2,110	2,110
Strategic and Corporate Policy	720	358	358	358
Public Sector Employers' Council	3	8	8	8
Executive and Support Services	1,036	254	254	254
Total	**5,552**	**3,817**	**3,817**	**3,817**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000) — Other Appropriations				
Risk Management (IRMA)	20	1,130	240	370
Total	**20**	**1,130**	**240**	**370**

[1] These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2006/07 *Estimates*. Schedule A of the *Estimates* presents a detailed reconciliation.

Goals, Objectives, Strategies and Results

Overview

Ministry Goals

The ministry will focus its energy on supporting government's realization of the Five Great Goals. This will be accomplished through the ministry achieving its goals of:

1. **A sustainable fiscal environment built on a balanced budget:** A sustainable fiscal environment is a cornerstone in maintaining confidence in British Columbia's economy as well as providing a stable foundation on which to sustain and enhance the delivery of public services. It supports a strong and vibrant economy and provides the means to develop excellence in education, promote healthy living, support people at risk, protect our environment, and create jobs for British Columbians.
2. **A strong, competitive and vibrant economy:** The Ministry of Finance plays an essential role in the creation and maintenance of a tax and regulatory climate that supports economic development and employment opportunities. Since 2001, the ministry has delivered a series of tax reductions targeted to individuals and businesses. In addition, several key regulatory frameworks, such as the *Business Corporations Act*, have been streamlined and modernized. As a result of these steps, the province's businesses can now rely on a tax and regulatory environment that allows them to compete and succeed on the international stage while creating jobs at home.
3. **Effective financial, governance, accountability and performance framework:** The Ministry of Finance is responsible for government's overall financial, management, governance, accountability and performance frameworks. This involves the establishment of appropriate legislation, policies and procedures and reporting at both the corporate and government organization levels to ensure the province's resources and obligations are appropriately managed in support of effective service delivery.

Linkage to the Five Great Goals

Ministry of Finance contributes to the Five Great Goals by creating a sustainable fiscal environment and supporting a strong and vibrant economy that attracts investment, creates jobs, and provides government with the means to address its education, health, support system and environmental sustainability priorities as set out in the following Five Great Goals:

1. Make British Columbia the best-educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.

4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

Cross Ministry Initiatives

The ministry plays an integral role in multiple cross ministry initiatives through its overarching fiscal, economic and governance responsibilities. Major cross ministry initiatives include:

1. First Nations New Relationship

- In consultation with Ministry of Aboriginal Relations and Reconciliation, develop a fiscal framework to support new relationship with First Nations and continue to monitor fiscal framework for treaties.
- Provide accounting policy and structure advice for the $100 million New Relationship Fund for consideration by Treasury Board and Cabinet.

2. Public sector negotiating framework

- Establish appropriate and sustainable compensation levels.

3. 2010 Olympic and Paralympic Winter Games

Provide support to Ministry of Economic Development by:

- Providing guidance and support to the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games and the Secretariat to assist with implementation and ongoing management of appropriate risk management systems.
- Acting as the primary contact with the Auditor General, assist with issue identification, and management and resolution of accounting and audit items.
- Assisting the Olympic Secretariat through review of its internal processes and controls and provide advice on improvements; and
- Assisting ministries and Crown agencies to ensure they have appropriate business continuity plans to support their involvement in the Games.

Performance Plan

The 2006/07 – 2008/09 Service Plan reflects changes from the *2005/06 – 2007/08 Service Plan Update September 2005* to better align ministry's priorities with government's Five Great Goals and improve complementary performance reporting.

Consistent with government's direction, the ministry is shifting focus to a few critical aspects of performance. As a result, the ministry has eliminated internally and operationally focused performance measures. The ministry's goals have also been refined. A summary of changes

is provided in Appendix 1. For information about the performance measure methodologies, please visit the following website:
http://www.fin.gov.bc.ca/serviceplanupdate/2006-07/methodologies.htm.

The ministry collects and utilizes data from reliable independent and government sources in its development of targets for the performance measures in the service plan. These sources include major credit rating agencies, Public Accounts, and provincial statutes. The ministry's Corporate Planning Secretariat provides quality assurance in the development of all aspects of the Service Plan. The ministry monitors the performance of the measures in the Service Plan and introduces corrective actions as necessary to ensure that the ministry achieves its goals set out in the Service Plan.

To provide a comparative basis for the performance measures, 2004/05 actuals are included along with the 2005/06 forecast and three year targets.

Goal 1: *A sustainable fiscal environment built on a balanced budget.*

A sustainable fiscal environment is a cornerstone in maintaining confidence in British Columbia's economy as well as providing a stable foundation on which to sustain and enhance the delivery of public services. It supports a strong and vibrant economy and provides the means to develop excellence in education, promote healthy living, support people at risk, protect our environment, and create jobs for British Columbians. Fiscal responsibility today means that the cost of current public services will not be passed on to future generations.

Core Business Area: *Treasury Board Staff/Strategic and Corporate Policy.*

Objective 1: *Effective management of government's fiscal plan.*

Government is committed to achieving a declining taxpayer-supported debt to GDP ratio. Development and maintenance of a prudent and resilient fiscal plan is critical to government's ability to achieve a sustainable fiscal environment. The ministry plays a critical role in overseeing the fiscal plan and works closely with the federal government, ministries and other public sector partners to ensure that government's annual and three-year revenue and expenditure targets are met.

Key Strategies: *Full integration of Crown corporations and the schools, universities, colleges and hospitals (SUCH) sector into the fiscal planning process; and continual update of government's three-year fiscal plan including monitoring and corrective action as required.*

Performance Measures:

Achieve Annual Targets for Provincial Budget: This measure is a comparison of budgeted revenue and spending with the actual results as set out in government's audited financial statements (the Public Accounts). Achieving annual targets demonstrates that government is effectively managing the fiscal plan.

Taxpayer-Supported Debt to GDP ratio: This measure is the ratio of taxpayer-supported debt reported in government's annual audited financial statements to gross domestic product. Maintaining a relatively low taxpayer-supported Debt-to-GDP ratio signifies a healthy balance sheet and ensures that debt remains affordable. Rating agencies rely on this measure as a key credit rating consideration. Government plans to maintain a declining trend for the taxpayer-supported debt to GDP ratio. Government will monitor this trend using a 3-year moving average.

Provincial credit rating: This measure is the rating of provincial debt by Moody's Investor Services, an independent rating agency.

The interest rate paid by the Province when it borrows in the domestic and international capital markets is influenced by the credit ratings supplied by third party agencies. In determining a credit rating, agencies consider the borrower's ability to promptly pay the interest and principal due based upon the borrower's balance sheet and income statement. In the case of the province, rating agencies evaluate debt as a percentage of GDP, and the significance of interest owing as a percentage of gross receipts. Agencies also consider the government's track record as a prudent fiscal manager, its reporting accuracy and transparency, the economic outlook, and business and consumer confidence in the economy.

Moody's Investor Service, an internationally recognized credit rating agency, rates bonds in descending alphabetical order from A to C — highest to lowest. The Aa rating is provided to those public and private sector organizations that offer excellent financial security and are generally considered high-grade entities.

Performance Measures	2004/05 Actual	2005/06 Forecast	2006/07 Target	2007/08 Target	2008/09 Target
Achieve annual targets for provincial budget	$2.6 billion surplus [1]	Balanced Budget [2]	Balanced Budget	Balanced Budget	Balanced Budget
Taxpayer-supported debt to GDP ratio	18.2%	16.4%	15.8%	15.7%	15.4%
Provincial credit rating [3]	Aa1 [4]	Aa1 [4]	Aa1 [4]	Aa1 [4]	Aa1 [4]

[1] 2004/05 Public Accounts.
[2] Final result to be confirmed upon release of the Public Accounts.
[3] Moody's Investor Service (Credit Rating Agency).
[4] Equivalent to an AA plus. Moody's upgraded the province to Aa1 from Aa2 in March 2005.

Goal 2: *A strong, competitive and vibrant economy.*

The Ministry of Finance plays an essential role in the creation and maintenance of a strong, competitive and vibrant economy. The ministry reviews provincial tax policies on an ongoing basis to help ensure that British Columbia has a competitive tax regime. Since 2001, the ministry has delivered a series of tax reductions to individuals and businesses. These initiatives include a 25 per cent reduction in personal income taxes ensuring individuals in the bottom two-tax brackets have the lowest personal income tax rates in the country.

In addition, the BC Tax Reduction introduced in 2005 has reduced or eliminated provincial income tax for 730,000 British Columbians earning less than $26,000. The province has also introduced an 18 per cent reduction in the general corporate income tax rate, eliminated the capital tax for general corporations and provided an exemption from provincial sales tax for production machinery and equipment. Other more targeted initiatives include property tax relief for small hydroelectric projects and the province's major port operators, new incentives for digital animation and visual effects and an increase in the threshold for the small business tax rate.

Further, the government was able to return to a seven per cent provincial sales tax rate reversing an earlier 0.5 per cent increase that was necessary to pay for an increase in health care professionals' compensation. As a result of these and other steps which the government continues to pursue, the province's businesses can now, and continue to, rely on a tax and regulatory environment that allows them to compete and succeed on the international stage while creating jobs at home.

The ministry will continue to streamline and improve the effectiveness of regulatory frameworks and strengthen consumer confidence. The ministry is undertaking a broad

review of the *Insurance Act*, which sets out statutory requirements applying to contracts of life insurance and of property and casualty insurance (such as for fire and liability), other than automobile insurance. Other initiatives include an expansion of e-government that will improve, expand and maintain one-stop service, expand accessibility and reduce cost.

Core Business Area: *Strategic and Corporate Policy.*

Objective 1: *A fair and competitive tax environment.*

The province's ability to develop a strong and vibrant economy depends on a tax and regulatory environment that is both nationally and internationally competitive. Jurisdictions with competitive tax regimes and regulatory frameworks are successful in attracting and retaining personal and business investment. Taking advantage of these opportunities enhances economic development and creates stable revenues to support critical government services such as health care and education. In addition, a tax system that is perceived to be fair increases the confidence of British Columbians in their government.

Key Strategies: *Ongoing review of the province's tax system in comparison to other jurisdictions and analysis of potential reforms to maintain and improve competitiveness and to enhance the fairness of the system.*

Performance Measures:

Provincial ranking of corporate income tax rates: This is a new measure which compares corporate income tax rates in BC against the other provinces in Canada by comparing provincial statutes in effect as of March 31 each year. A competitive tax environment fosters economic growth by encouraging business investment and promoting a business friendly environment. Although measuring the overall competitiveness of the tax system is complex, a comparison of general corporate income tax rates represents a reasonable basis for assessing competitiveness.

Provincial ranking of personal income tax rates for the bottom two tax brackets: This measure compares personal income tax rates for the bottom two tax brackets against the other provinces in Canada. Government has the lowest personal income tax rates of any province in Canada for the bottom two tax brackets. Keeping these tax rates low is consistent with the objective of maintaining a fair and competitive tax system.

Performance Measures	2004/05 Ranking	2005/06 Forecast	2006/07 Target	2007/08 Target	2008/09 Target
Provincial ranking of corporate income tax rates.[1]	Fourth lowest[2]	In the lowest 4	Remain in the lowest 4	Remain in the lowest 4	Remain in the lowest 4
Provincial ranking of personal income tax rates for the bottom two tax brackets.	Lowest[3]	Lowest	Lowest	Lowest	Lowest

[1] New performance measure.
[2] Source: Comparison of provincial statutes for rates in effect on March 31 each year.
[3] Source: Comparison of provincial statutes for each tax year.

Core Business Area: *Strategic and Corporate Policy/Corporate and Personal Property Registries.*

Objective 2: *Efficient and effective financial and corporate regulatory frameworks and registry services that protect the public interest.*

Streamlined legislative and policy frameworks for regulation of the financial and corporate sector, fair regulation of financial institutions and the electronic delivery of registry services are important for supporting business confidence, development and investment, and continuing to foster consumer confidence.

Key Strategies: *Implementation of the new legislative frameworks for streamlined financial and corporate sector regulation, and expansion of electronic registry services. Provide policy analysis and advice to government in support of legal frameworks for the efficient regulation of credit unions, trust companies, pension funds and insurance companies operating in British Columbia and the sale of real estate, insurance and mortgages in British Columbia.*

Performance:

Evidence of the government's success in creating a tax and regulatory climate that stimulates economic growth is the increase in the number of businesses operating in the province. In 2005/06, the ministry expects to record a five per cent increase in new business registrations (55,969) which is an improvement on the four per cent growth achieved in 2004/05.

Over the past several years the ministry has replaced paper-based corporate and personal registries with online services which has improved customer service at reduced cost. The most recent addition to the suite of electronic registries was a Corporate Registry in March 2004. In 2005/06, the percentage of company incorporations and registrations filed electronically was 95 per cent.

The ministry also sponsors the One Stop Business Registry which provides business with single electronic access to multiple levels of the federal and provincial pubic sector for purposes of registration and address changes, as well as the federal business number to facilitate interaction with the public sector. In 2005/06, this award-winning registry closed agreements to add new public sector partners to its platform including several municipalities, the Liquor Distribution Branch, the Liquor Licensing and Control Branch and the government's Corporate Authentication Program and corporate registry.

Goal 3: *Effective financial, governance, accountability and performance framework.*

The Ministry of Finance is responsible for government's overall financial and management governance, accountability and performance framework for ministries and the broader public sector. This involves the establishment of appropriate legislation, policies and procedures and reporting at the corporate level to ensure the province's resources and obligations are appropriately managed in support of effective service delivery. The framework sets accountability and public disclosure standards for financial and performance information through release of three-year budgets and service plans, Public Accounts and annual reports to track progress. This framework also reinforces individual and corporate accountabilities for outcomes, maintains standards for stewardship of resources, management of liabilities and risk, and the collection and disbursement of public funds.

Key activities include: financial, governance, procurement and accounting policy development; internal audit and advisory services; activity based management services, treasury and risk management; compliance monitoring; and financial and economic reporting.

Core Business Area: *Treasury.*

Objective 1: *Effective risk-based cash and debt management.*

In 2005/06, government managed cash flows of approximately $100 billion. During the same year, debt service cost for the total provincial debt is expected to be $2.2 billion. Of this amount, approximately $657 million relates to the Management of Public Funds and Debt vote (central government operating debt). Ongoing improvement in the management of these cash and debt activities offers significant opportunities to reduce costs and redirect government resources to priority services.

Key Strategies: *Comprehensive support for credit rating analysis and investor relations activities; development of models and systems to maximize investment returns on surplus cash to minimize borrowing costs and requirements; management of the provincial debt portfolio within risk policy parameters set by the Ministry of Finance Risk Committee; negotiation of banking services for government as a whole and utilization of technological advancements (e.g., e-banking services) to create financial and administrative efficiencies and savings within ministries.*

Performance Measures:

Debt service costs: Debt service costs relates to the overall cost of borrowing. This measure is the ratio of taxpayer-supported cost of borrowing (debt interest expense) to taxpayer supported revenues as compared to other provinces in Canada. A relatively low ratio, or "interest bite", demonstrates fiscal prudence and an affordable debt burden. Rating agencies also rely on this measure as one among a number of important credit rating considerations.

Performance Measure	2004/05 Actuals	2005/06 Forecast	2006/07 Target	2007/08 Target	2008/09 Target
Debt service costs (Provincial ranking)	Second Lowest[1]	Second Lowest	Second Lowest	Second Lowest	Second Lowest

[1] Moody's Investor Service (Credit Rating Agency).

Core Business Area: *Financial Governance, Accounting and Reporting/ Risk Management.*

Objective 2: *Enhance risk-based management of government's resources.*

Creation of risk-based frameworks that reinforce individual and corporate accountabilities provides opportunities to reduce unnecessary constraints, realize efficiencies and improve outcomes. Risk-based practices are adopted only if they can demonstrate consistency with government priorities and add value using an optimal mix of resources and funding.

Key Strategies: *Expansion of government's self-insurance program to the broader public sector, assistance with implementation of Enterprise-wide Risk Management practice, risk-based internal auditing and oversight of a comprehensive post-payment review system targeting high-risk transactions and use of activity based management to identify opportunities for performance improvement and cost reduction.*

Performance Measures:

Annual savings from self insurance: This measure demonstrates the savings achieved by government by selecting public sector self insurance programs, rather than insuring through third parties. Self-insurance involves government assuming the role of a traditional insurer by investigating, defending and paying claims.

The Ministry of Finance's coordination of public sector self-insurance programs allows the provincial government to cost-effectively retain selected risks rather than transfer them at a premium to third parties.

Post-payment monitoring, Activity Based Management and Internal Audit savings: This measure demonstrates savings from utilizing a risk-based approach for post-payment monitoring and potential annual benefits (five-year average) from implementing Internal Audit and Advisory Services and Activity Based Management recommendations. Activity Based Management provides consulting service that combine costing and process analysis to assist programs in improving performance and reducing costs.

The ministry's delivery of cross-government risk-based financial processing and independent management review services, through Internal Audit and Advisory Services, provide a basis for evaluating its adoption of best practices and savings. Savings are achieved through the adoption of audit recommendations and more effective payment review procedures.

Performance Measures	2004/05 Actuals	2005/06 Forecast	2006/07 Target	2007/08 Target	2008/09 Target
Annual savings from self-insurance (five-year rolling average).[1]	$47.5 million[2]	$55.7 million	$60.8 million	$65.8 million	$58.2 million[6]
Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring and Internal Audit and Advisory Services and Activity Based Management recommendations.[3]	$16.4 million[4,5]	$6.4 million	$6.4 million	$6.4 million	$6.4 million

[1] Base and targets have increased from the September 2005/06 updated Service Plan as a result of an increase in insurance costs in the private sector insurance markets.

[2] Source: Ministry of Finance Risk Management Branch.

[3] Base and targets have increased from the September 2005/06 updated Service Plan. The increase of $700,000 in the base and targets reflect additional potential average annual cost savings from the implementation of Internal Audit and Advisory Services and Activity Based Management recommendations.

[4] Source: Internal Audit and Advisory services recommendations and post payment monitoring.

[5] The $16.4 million is a five-year rolling average of potential savings identified from utilizing a risk-based approach for post-payment monitoring and potential savings identified as a result of implementing Internal Audit and Advisory Services recommendations. The 2004/05 actuals are restated from the *2005/06 – 2007/08 Service Plan Update* for purpose of reporting five-year rolling average rather than reporting 2004/05 in isolation.
The actual savings vary from year to year. In 2005/06 and following years, the targeted potential savings (five-year average) from implementation of Internal Audit and Advisory Services and Activity Based Management recommendations is $5.2 million plus the savings of $1.2 million from post payment reviews.

[6] Self insurance savings decline in 2008/09 as a result of an anticipated decrease in private sector insurance costs over the next two to three years. Based on a five-year rolling average, it is not until 2008/09 that more competitive private insurance starts to reduce savings from self-insurance.

Core Business Area: *All.*

Objective 3: *Transparent and accountable financial and procurement policies and practices.*

Government is undergoing transition to a model that provides program managers with enhanced financial and procurement decision-making abilities within a defined accountability framework. This shift provides managers with additional tools and accountabilities to succeed, and is supported by an updated public sector management frameworks. The ministry plays an important role in the development of these governance frameworks and works closely with other ministries to ensure appropriate clarification of roles, responsibilities and accountabilities.

Key Strategies: *Review financial and procurement legislation, maintenance of a principles-based policy framework, input into the development of training resources as well as ongoing monitoring and reporting on ministries' compliance with the accountability frameworks.*

Performance Measure:

Percentage of responses to ministerial correspondence within two weeks:
This measure captures the percentage of correspondence addressed to the Minister which is responded to within two weeks. Achieving the ministry standard of responding to minister's correspondence within a two-week period ensures correspondents receive timely and relevant information.

Performance Measure	2004/05 Actuals	2005/06 Forecast	2006/07 Target	2007/08 Target	2008/09 Target
Percentage of responses to ministerial correspondence within two weeks	22%[1]	80%[2]	80%	80%	80%

[1] Source: Ministry of Finance CLIFF Correspondence Tracking System.
[2] The ministry will be working to achieve its target through streamlining processes and by providing every correspondent with an immediate response acknowledging receipt of their letter.

Core Business Area: *Financial Governance, Accounting and Reporting.*

Objective 4: *Meet statutory reporting requirements and comply with GAAP in all material respects.*

The *Budget Transparency and Accountability Act* (BTAA) requires that all accounting policies and practices applicable to public documents required to be made public under this act (e.g., Budget and Public Accounts), comply with Generally Accepted Accounting Principles (GAAP). Adherence to GAAP requires monitoring of evolving accounting standards, consistent financial practices across government and full transparency for the use of public funds. This transparency is critical for ensuring that British Columbians and the investment community have the information they need to make informed decisions and confidence in government's finances.

Key Strategies: *Ongoing monitoring of, and adherence to, GAAP's evolving accounting standards, adoption of technology to improve the reporting processes, working with the Auditor General and the Accounting Policy Advisory Committee on accounting and reporting issues, and greater fiscal planning integration with the SUCH sector.*

Performance Measures:

Release of public accounts by June 30 with an unqualified audit opinion from the Office of the Auditor General: This activity measure captures both timeliness and completeness of government financial reporting. Timely release of financial reporting is critical for effective use of the information and helps instill public confidence in government's ability to manage its resources. Recent performance and future targets provide more timely reporting than required in the *Budget Transparency and Accountability Act*, which requires release of the province's financial statements (Public Accounts) by August 31st, following each March 31st, fiscal year end. An unqualified opinion from the Auditor General that the public accounts comply with GAAP provides an objective and independent assessment that government has met the GAAP standard for disclosure of its financial information, further increasing confidence in the reliability of that information.

Performance Measure	2004/05 Actuals	2005/06 Base	2006/07 Target	2007/08 Target	2008/09 Target
Release of public accounts by June 30 with an unqualified audit opinion from the Office of the Auditor General.[1]	June 29, 2005[2]	Last Thursday before June 30, 2006.	Last Thursday before June 30, 2007.	Last Thursday before June 30, 2008.	Last Thursday before June 30, 2009.

[1] Performance measure is a combination of two separate performance measures reported in the September 2005 Update: 1) Full implementation of GAAP and 2) Delivery date for annual Public Accounts.

[2] Source: Release of the Public Accounts.

Core Business Area: *Crown Agencies Secretariat.*

Objective 5: *Crown corporations are publicly accountable to taxpayers both in the delivery of their programs and services and in fiscal management.*

A Crown corporation is an organization that is established by the provincial government that is outside of a ministry. Crown corporations are accountable to the government through a Responsible Minister; and have assigned/delegated authority and responsibility from government, or otherwise have statutory authority and responsibility to perform specified functions or services. The Crown Agencies Secretariat (CAS) is a central agency within the Ministry of Finance with responsibility for developing and implementing a framework for strategically and systematically overseeing Crown agencies. CAS also provides analysis, advice, and coordination on governance, accountability, strategic priorities, performance planning, reporting and measurement, mandate reviews and "Whole of Crown Agency Sector" issues and policies. An effective governance system will aid both government and Crown corporations by ensuring Crown corporations focus on the activities necessary to fulfill their mandates while at the same time ensure they are being managed in the public interest.

Key Strategies: *Develop and implement an effective framework for government's management of its Crown corporations in British Columbia; provide training and advice to ministry and Crown corporation officials to ensure that their roles under the framework are understood and their responsibilities are discharged, clearly outline government's expectations of Crown corporations through Shareholder's Letters of Expectations and make these publicly-available on government's website; provide input on cross-Crown corporation policy issues; host workshops for Crown Corporations on performance management and reporting best practices.*

Performance Measures:

Shareholder's Letter of Expectations in place: This measure is the ratio of number of completed and publicly available Shareholder Letters to the number of Crown corporations for which the requirement to have a Shareholder's Letter applies.

The Shareholder's Letter of Expectations is a key component of the Accountability Framework. The Shareholder's Letter is signed by the Minster Responsible, as the representative of government (the shareholder), and the Chair of the Board of the Crown corporation, as the representative of the Crown corporation. This letter is designed to ensure a shared understanding between the shareholder and Crown corporation on key governance issues, corporate mandate and core services, public policy issues, strategic priorities and performance expectations, and serves as the foundation for the development of annual Crown corporation service plans. Crown Agencies Secretariat coordinates the drafting of the Shareholder's Letter by developing guidelines and coordinating the overall process for preparing Shareholder's Letters of expectations between Ministers and Crown Agencies. The Minister Responsible will work with the Chair of the Board of the Crown corporation to ensure that all expectations outlined in the Shareholder's Letter of Expectations are achieved.

Performance Measure	2004/05 Actuals	2005/06 Forecast	2006/07 Target	2007/08 Target	2008/09 Target
Shareholder's Letter of Expectations in place for all applicable Crown corporations.[1]	80%[2]	100%	100%	100%	100%

[1] This measure has been changed to reflect that not all Crown corporations, such as those in the process of winding up their operations, are required to have a Shareholder's Letter.

[2] Source: All completed Shareholder's Letter of Expectations are signed by the Minister and Chair of Board of the Crown corporation and posted on the Crown Agencies Secretariat Website, http://www.gov.bc.ca/cas/.

Core Business Area: *Public Sector Employers' Council.*

Objective 6: *Effective management of public sector labour relations and human resource strategy.*

Public sector compensation costs comprise a significant portion of the provincial budget. Accordingly, effective management of the province's fiscal plan requires the establishment of appropriate and sustainable compensation levels. Labour market analysis and frameworks are also critical for attracting and retaining highly skilled workers critical to the delivery of many public services.

Key Strategies: *Maintain an executive compensation and bargaining mandate framework that incorporates fiscal goals, policy, program decisions, and labour market considerations. A long-term strategy for effective management of labour relations that addresses shortages of critical skilled occupations in the public sector is also underway.*

Performance Measures:

Public sector cost changes: This measure captures the public sector compensation changes over the 2005/06 compensation base. A four year envelope of $4.7 billion above the 2005/06 compensation base is provided through 2009/10.

This performance measure excludes any growth in the compensation base attributable to the growth in the number of public sector employees.

Compensation related costs in the public sector are a significant component of the provincial budget. As a result, marginal changes in compensation costs have significant fiscal impacts requiring accurate and timely monitoring.

Performance Measure	2004/05 Actuals	2005/06 Forecast	2006/07 Target	2007/08 Target	2008/09 Target
Public sector cost changes over the 2005/06 compensation base.[1]	$16.02 Billion[2]	$17.2 Billion[3]	Ensure spending is within the four year envelope of $4.7 billion above the 2005/06 compensation base.	Ensure spending is within the four year envelope of $4.7 billion above the 2005/06 compensation base.	Ensure spending is within the four year envelope of $4.7 billion above the 2005/06 compensation base.

[1] Performance measure has been revised to reference cost changes over 2005/06 compensation base. The 2005/06 updated Service Plan referenced cost changes over the 2002/03 compensation base.

[2] Source: Public Sector Employers' Council Secretariat (PSEC).

[3] Increase over the 2004/05 compensation base is attributable to growth in the number of employees in Crown agencies and in the health and post secondary sectors.

Ministry Performance Plan Summary

Five Great Goals

Continuing government's commitment to affordability and fiscal responsibility, and, thereby, positioning the province to achieve the Five Great Goals.

Ministry Mission
To provide sustainable fiscal policies and regulatory frameworks that support a strong and vibrant provincial economy.

Ministry Goals	Ministry Objectives	Performance Measures
1. A sustainable fiscal environment built on a balanced budget.	1.1. Effective management of government's fiscal plan.	• Achieve annual targets for provincial budget. • Debt to GDP ratio. • Provincial credit rating
2. A strong, competitive and vibrant economy.	2.1 A fair and competitive tax environment.	• Provincial ranking of corporate tax. • Provincial ranking of personal income tax rates for the bottom two tax brackets.
	2.1 Efficient and effective financial and corporate regulatory frameworks and services that protect the public interest.	
3. Effective financial, governance, accountability and performance framework.	3.1 Effective risk-based cash and debt management.	• Debt service costs.
	3.2 Enhance risk-based management of government's resources.	• Annual savings from self insurance. • Post-payment monitoring and Internal Audit savings.
	3.3 Transparent and accountable financial and procurement policies and practices.	• Per cent responses to ministerial correspondence within two weeks.
	3.4 Meet statutory reporting requirements and comply with GAAP in all material respects.	• Release of Public Accounts by June 30 with an unqualified audit opinion from the Office of the Auditor General.
	3.5 Crown Corporations are publicly accountable to taxpayers both in the delivery of their programs and services and in fiscal management.	• Shareholder's Letter of Expectations in place for all applicable Crown corporations.
	3.6 Effective management of public sector labour relations and human resource strategy.	• Public sector cost changes over the 2005/06 compensation base.

Related Initiatives and Planning Processes

Deregulation and Regulatory Reform

On June 5, 2001, the government made a commitment to reduce the regulatory burden by 1/3 within three years. The Ministry of Finance has completed several major legislative and regulatory reviews that reduced regulatory burden and decreased the associated regulatory requirement count by approximately 39 per cent in three years (25,423 as at June 2004). The ministry's success was mainly attributable to implementation of a new *Business Corporations Act*, providing for electronic filing at the Personal Property Registry, eliminating unnecessary requirements under the *Financial Institutions Act* and *Credit Union Incorporation Act*, and developing a more effective framework for government's financial management policies and procedures.

The ministry is committed to maintaining a zero net increase in regulatory requirements through 2008/09 over the June 2004 baseline, and continuing to identify further regulatory reduction and regulatory reform opportunities. This commitment is evidenced by the implementation of the *Real Estate Services Act* and *Real Estate Development Marketing Act* on January 1, 2005 resulting in a further four per cent reduction in regulatory requirements, totalling 43 per cent as at March 31, 2005.

Over the next three years, all legislative initiatives will be monitored to ensure that the policies are effective and allow industry, the public, and government to operate in an improved environment of "smart regulation".

Information Resource Management Plan

An overview of the ministry's Information Resource Management Plan is available on the ministry website at: http://www.fin.gov.bc.ca/serviceplan/2006-07/IRMP.htm.

Citizen-Centred Service Delivery

The ministry supports the achievement of the five great goals by focusing on citizen-centred service delivery. The ministry provides services indirectly to the public by developing regulatory and governance frameworks for the provincial public sector to ensure that services provided are easily accessible and responsive to the needs of British Columbian citizens. The ministry provides services directly to the public through the following:

- E-Commerce provides convenient and efficient banking services.

- Electronic Registry Services facilitate and support commerce in a cost-effective manner.
- Ministry of Finance website informs citizens of the services and publications provided by the ministry.

Please visit the website, http://www.gov.bc.ca/fin, for more information on the above.

Public Affairs Bureau

Agency Overview

Purpose of Agency

The Public Affairs Bureau leads and coordinates communications with internal and external stakeholders, ensuring that citizens are informed about government policies, programs and services and that information is communicated in an open and transparent manner.

Clients include citizens of British Columbia, members of the media, the Premier's Office, members of Cabinet, senior government officials and ministry program staff.

Vision, Mission and Values

Vision

British Columbians are informed of government policies, programs and services on a timely and factual basis.

Mission

To provide a framework that supports communication of government policies, programs and services benefiting all British Columbians.

Values

In pursuit of our vision and mission, members of the Public Affairs Bureau will act in accordance with the following values:

Accountability	*To enhance efficiency, effectiveness and value in public service.*
Integrity	*To conduct ourselves in an ethical, honest, consistent and professional manner.*
Responsibility	*To deliver affordable client-centred service and stewardship on behalf of citizens.*
Respect	*To treat those we serve, and each other, with courtesy, fairness, dignity and trust.*
Innovation	*To foster creativity and performance in the delivery of quality services.*

Strategic Context

Looking Ahead

By looking at the next three years and beyond, the Public Affairs Bureau will establish goals and objectives that will see British Columbians, Canadians and citizens of the world well informed about the province's policies, benefits, programs and services.

While continuing to support issues management and the use of traditional communications tools, the Bureau will work towards a new level of communications — one that balances reactive issues management with proactive communications messaging. There must be communications research, strategic planning, input into major submissions and policies so that proactive strategies can be developed. Given the competition in the market place to "attract the public's eye and ear", we must use new, innovative, ways to reach our target audiences whether at the grass roots of our communities or international investors.

Some of the strategies we will employ include:

- Supporting the development of resources in key areas of government such as health care, children and family development, the Olympics and strategic planning;
- Making information more accessible, timely and relevant through a variety of traditional and non-traditional means;
- Reaching out to ethnic communities/press and client of government programs and services (such as senior, small business operators, families, etc.);
- Making information more accessible in grassroots communities and to international media through innovative technologies and stakeholder relations;
- Communicating with British Columbians through both the use of traditional mechanisms (announcements, paid and earned media) but also by introducing new marketing approaches to ensure our messages are reaching citizens where they live (for example, partnerships with the public or private sectors to distribute info;
- Expanding use of e-services in support of cross-government initiatives and/or themes (for example, Achieve BC, ActNow BC, or the recently launched seniors site, etc.);
- Improving media access by introducing innovative electronic solutions (for example, the Olympic Media Initiative to showcase BC worldwide by allowing international media outlets access to download media files ensuring a reliable source of footage. This tool could be used beyond 2010 to provide international media with one-stop access to media files profiling British Columbia (economy, investors, tourists, climate, etc.)

There is an opportunity to achieve some very real gains using the power of communications to reach out to the grassroots of our communities and to strengthen our relationship with

the media not only in the regional markets of British Columbia but across North America and around the world.

Much has been achieved over the last four years and British Columbia has a powerful story to tell. We will seek to balance the reactive and move towards becoming more engaged and proactive in telling this story of accomplishment across ministry lines, across the province and around the world.

Risks and Opportunities

Existing resources within the Public Affairs Bureau are more focused on issues management with some opportunities to engage in proactive communications planning. While issues management is critical to protecting the reputation of government, providing our key audiences with proactive and balanced information is key to enhancing public confidence and balance.

The ability to create proactive strategies which link to the Five Great Goals and straddle cross government priorities will be key to both the management of risk and taking full advantage of the skills reflected in the PAB team and opportunities to serve and inform citizens.

Core Business Areas

Supported by 216 FTEs and $34.7 million, the Public Affairs Bureau has three functional units that together form the core business, each of which has specific responsibilities for the provision of programs and services.

1. Communications Services

Provides direction, advice and staff to support the communications needs of ministries. Teams of communications professionals are assigned to, and co-located with, each ministry. Services include provision of fact-based information, corporate communications, communications planning, media relations, news releases, speech writing and on-site support for ministry events. This area is supported by 158 FTEs, across 19 ministries.

2. Communications Support Services

Provides a wide range of support services to communications staff assigned to ministries. Services provided include logistical support, writing and graphic design services, event management, online clipping service, technical support to the Press Theatre in the Legislature and developing online applications in support of new initiatives. This area is supported by 28 FTEs.

3. Executive and Support Services

Provides strategic leadership and a full range of support services (business planning, recruitment, retention and development of Public Affairs Bureau staff, budget management, financial reporting, contract administration, accounts payable processing, information systems planning and administration, procurement services, facilities planning, and records administration) that contribute to the success of all functional units. This area is supported by 20 FTEs.

Resource Summary

Core Business Areas	2005/06 Restated Estimates[1]	2006/07 Estimates	2007/08 Plan	2008/09 Plan
Operating Expenses ($000)				
Public Affairs Bureau	34,482	34,724	34,724	34,724
Total	**34,482**	**34,724**	**34,724**	**34,724**
Full-time Equivalents (FTEs)				
Public Affairs Bureau	202	216	216	216
Total	**202**	**216**	**216**	**216**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Public Affairs Bureau	485	2,305	2,305	2,305
Total	**485**	**2,305**	**2,305**	**2,305**

[1] These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2006/07 *Estimates*. Schedule A of the *Estimates* presents a detailed reconciliation.

Goals, Objectives, Strategies and Results

Overview

Agency Goals

1. Inform citizens of government policies, programs and services.
2. Government communicates in an open and transparent manner.

Linkage to the Five Great Goals

Public Affairs Bureau contributes to all Five Great Goals by:

- Communicating the province's policies and programs to the public in a consistent, informative and timely manner.
- Ensuring that themes identified in the government strategic plan are reflected in communications strategies as appropriate.

Cross Ministry Initiatives

Cross ministry initiatives the Bureau is leading:

- Development of cross ministry communications strategies (for example, seniors, international and domestic branding).

Cross ministry initiatives the Bureau is involved:

- Bargaining Framework.
- ActNow.
- Crystal meth strategy.
- First Nations strategy.
- Economic performance.
- 2010 Olympic and Paralympic Winter Games.
- Expanding reach to ethnic community/press.
- Rebranding the Public Service.

Performance Plan

Goal 1: *Inform citizens of government policies, programs and services.*

British Columbians will be informed of the programs and services provided by government and understand the challenges the government faces by providing information through a variety of sources including Members of the Legislative Assembly, media, public events and forums, public policy studies, fact-based public information and awareness initiatives as well as a variety of communications support materials.

Core Business Areas: *Communications and Communications Support Services.*

Objective 1: *Communication of information that is timely, relevant and readily accessible.*

Ensuring all British Columbians receive information that is timely, relevant and readily accessible regarding government policies and programs is essential to informing British Columbians of the programs and services available from government and the decisions taken by government on their behalf.

Performance Measures:

Government's ability to communicate information to the public that is timely, relevant and readily accessible can be measured by: ensuring that evaluation mechanisms are included in major communications plans/campaigns; undertaking performance monitoring activities with client ministries; and by providing timely briefings to ministers on emerging issues.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of major communications plans/ campaigns with evaluation mechanisms.	Being Developed	Being Developed	Being Developed	Being Developed
Performance monitoring to be undertaken with client ministries.	Being Developed	Being Developed	Being Developed	Being Developed
In partnership with ministry program staff provide timely briefings to ministers on emerging issues.	Being Developed	Being Developed	Being Developed	Being Developed

Goal 2: *Government communicates in an open and transparent manner.*

By communicating in an open and transparent manner, citizens will understand the challenges faced by government related to the policy decisions taken on their behalf; have

access to information regarding the direction of government programs and services over a three year period; and have access to information regarding the accomplishments of government in the previous year.

Core Business Areas: *Communications and Communications Support Services.*

Objective 1: *Communication of government's policies and programs to the public in a consistent and informative manner.*

Ensuring all British Columbians have access to or receive consistent information regarding government's policies and programs is essential to informing citizens of government planning decisions and accomplishments.

Performance Measures:

Government's ability to communicate policies and programs to the public in a consistent and informative manner can be measured by the percentage of ministry service plans and annual reports posted to the government website.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of ministry service plans posted to the government website.	100%	100%	100%	100%
Percentage of ministry annual service plan reports posted to the government website.	100%	100%	100%	100%

Objective 2: *Communication of fact-based information to the public.*

Ensuring British Columbians have access to or receive fact-based information regarding government policies and programs is essential to allowing citizens to form opinions based on fact and allows for informed public debate on decisions taken.

Performance Measures:

Government's ability to communicate fact-based information to the public can be measured by response times to media enquiries.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Provide initial response to media within one hour of enquiry.	Being Developed	Being Developed	Being Developed	Being Developed
Response to media completed within media deadline.	Being Developed	Being Developed	Being Developed	Being Developed

Agency Performance Plan Summary

Five Great Goals

Public Affairs Mission
To provide a framework that supports communication of government policies and programs benefiting all British Columbians.

Public Affairs Goals	Public Affairs Objectives	Performance Measures
1. Inform citizens of government policies, programs and services.	1.1 Communication of information that is timely, relevant and readily accessible.	• Percentage of major communications plans/campaigns with evaluation mechanisms. • Performance monitoring to be undertaken with client ministries. • In partnership with ministry program staff provide timely briefings to ministers on emerging issues.
2. Government communicates in an open and transparent manner.	2.1 Communication of government's policies and programs to the public in a consistent and informative manner.	• Percentage of ministry service plans published on the government website. • Percentage of ministry annual service plan reports published on the government website.
	2.2 Communication of fact-based information to the public.	• Provide initial response to the media within one hour of enquiry. • Completion of response within media deadline.

Communicate the province's policies and programs efficiently and effectively in support of the Five Great Goals.

Related Initiatives and Planning Processes

Regulatory Reform

Please refer to Ministry's Regulatory Reform section in service plan.

Information Resources Management Plan

Please refer to Ministry's Information Resources Management Plan section in service plan.

Citizen-Centred Service Delivery

Communication is a core element to the creation of a citizen-centred environment. The Public Affairs Bureau must bring all its tools (traditional and non-traditional) to bear to support all ministries across government in our shared goal of providing programs, which are built on the needs of British Columbians. The Bureau can play a key role by ensuring essential mechanisms are available to communicate — whether it be advertising, media relations, events, community relations, e-links, or cross-promotion. Our goal is to give citizens quick and easy access to the information they need — when they need it.

Appendices

Appendix 1: Significant Service Plan Changes

The ministry recognizes that all performance measures *reported in the 2005/06 - 2007/08 Service Plan Update September 2005* are important; however, focusing on the most critical aspects of performance allows the ministry to better define its success in achieving its goals and objectives. As a result, the ministry has removed the internally-focused goal "A leader in innovative business and people practices" and a number of performance measures, and refined its remaining goals to create greater focus on fiscal sustainability, competitiveness and accountability.

The following performance measures have been removed in the 2006/07 - 2008/09 Service Plan:

1. Provincial ranking of the top personal marginal tax rate.
2. Percentage annual growth in new business registrations.
3. Number of regulatory reforms.
4. Risk Management Maturity Model.
5. Percentage of staff with a formal Performance Review.
6. Percentage of staff who agree they have adequate opportunities to develop their skills.
7. Stakeholders' satisfaction with the policy framework for financial and procurement management.
8. Percentage of company incorporations and registrations filed electronically.

These measures will continue to be tracked for internal management purposes.

The following performance measures have been added to the 2006/07 - 2008/09 Service Plan:

1. Provincial ranking of corporate tax. A competitive tax environment fosters economic growth. Although measuring the overall competitiveness of the system is complex, a comparison of general corporate income tax rates represents a reasonable basis for assessing competitiveness.
2. Release of Public Accounts by June 30 with an unqualified audit opinion from the Auditor General's Office. This new performance measure combines two separate performance measures reported in the *2005/06 - 2007/08 Service Plan Update September 2005*: 1) Full implementation of GAAP and 2) Delivery date for annual Public Accounts.

Appendix 2

Agencies, Boards, and Commissions for which the Minister of Finance is the Minister Responsible.

Boards:

Accounting Policy Advisory Committee

Auditor Certification Board

BC Investment Management Board

Financial Institutions Commission

Financial Services Tribunal

Insurance Council of British Columbia

Real Estate Foundation of British Columbia

Real Estate Council of British Columbia